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August 20, 2025

Sonoma- Marin Area Rail Transit Board of Directors
5401 Old Redwood Highway, Suite 200
Petaluma, CA 94954

SUBJECT: Budget Amendment #2 – Amends the Fiscal Year 2025/2026 Adopted Budget.

Dear Board Members:

RECOMMENDATIONS:

Adopt Resolution No. 2025-24, amending Resolution No. 2025-19, the Fiscal Year 2025/2026 Adopted Budget to roll forward revenues and expenses from Fiscal Year 2025, and increase appropriation authority for Passenger and Freight

SUMMARY:

We are requesting the following amendments to the Fiscal Year 2025/2026 Adopted Budget.

These projects listed below included funds in Fiscal Year 2025. At the close of the Fiscal Year, there were funds remaining that need to roll to Fiscal Year 2026 to either continue or complete work on the projects.

- Pathway: Golf Course to Bellevue and Southpoint to Penngrove Project
 - Shift remaining \$99,429 of the Active Transportation Program (ATP) funds from Fiscal Year 2025 to Fiscal Year 2026
 - Shift \$50,000 of Measure Q Sales Tax funding from this project in Fiscal Year 2025 into Fiscal Year 2026
 - Budget \$149,429 in expenses to close out this pathway segment.
- State of Good Repair: McDowell Grade Crossing
 - Roll forward \$50,000 of Measure Q Sales Tax funds into Fiscal Year 2026
 - Shift the expenses in the amount of \$50,000 into Fiscal Year 2026 to complete the project

- Station: Petaluma North
 - Shift \$150,000 of the remaining Transit and Intercity Rail Capital Improvement Program (TIRCP) revenues into Fiscal Year 2026
 - Budget \$150,000 in the current fiscal year to close out the Station project
- Extension: Windsor Systems
 - Roll \$200,000 in Measure Q funding into Fiscal Year 2026 to finish final elements of the systems portion of the Windsor Extension
 - Move \$200,000 of expense from Fiscal Year 2025 to Fiscal Year 2026
- Development: Healdsburg Extension Progressive Design-Build
 - Roll the remaining \$97,144 of funding from the Community Project Funds Discretionary Earmark into Fiscal Year 2026
 - Reduce the budgeted revenue from the Transit and Intercity Rail Capital Improvement Program (TIRCP) by \$113,680 in Fiscal Year 2026
 - Reduce the overall budgeted amount for this project by \$16,536 to match expense in the current year for this project with remaining grant funding
 - Shift \$2,625,000 from Capital facilities projects to Non-Capital projects to fund preliminary work in developing and preparing for the Progressive Design-Build process
- Pathway: Joe Rodota Trail
 - Roll Measure Q funding in the amount of \$1,768 for design work into Fiscal Year 2026
 - Increase amount budgeted by \$1,768
- Work for Others: Joe Rodota to Third Street Traffic Signal
 - Roll \$31,136 of funding from the City of Santa Rosa to complete the design of the traffic signal at Third Street into this fiscal year
 - Increase the expense budget for this project by \$31,136 in this year
- Pathway: Puerto Suello Tunnel
 - Roll \$119,184 of Measure Q funds for the design of the tunnel into the current fiscal year
 - Roll \$119,184 of expenses into Fiscal Year 2026
- Pathway: Guerneville Rd to Airport Blvd Permitting
 - Shift \$5,005 worth of Measure Q funding into the fiscal year
 - Roll \$5,005 of expenses to Fiscal Year 2026

At the July 16, 2025, SMART Board meeting, \$600,000 was added to the revenue to offset the costs related to the Marin-Sonoma Coordinated Transit Service Plan (MASCOTS) planning and implementation. This month, SMART is budgeting an additional \$200,000 awarded to further offset these costs. Previously, the understanding was those funds would come through the Metropolitan Transit Authority (MTC) however the funding structure was revised, and they will come to SMART through a State Transit Assistance (STA) allocation. These additional funds will reduce the budgeted revenues from MTC by \$600,000. The current total amount coming through the STA allocation for MASCOTS is \$800,000.

To align the previously budgeted STA population-based funds with the current Fiscal Year 2026 forecast, there is a reduction of \$42,817, overall decreasing from STA population grant funds in Fiscal Year 2026 by \$42,817 for a total of \$1,266,953.

SMART's Engineering department is working with the Freight division to repair three bridges along the Brazos line. These are the Novato Creek Bridge, Sears Point Drainage Bridge, and Wingo–Sonoma Creek Bridge. During the Fiscal Year 2026 Budget process, funds were rolled from Fiscal Year 2025 in the amount of \$475,301.00. This amount is insufficient to fund the project construction cost recently calculated at \$679,658, resulting in a shortfall of \$204,357. SMART will fund this shortfall with funds from the Short Line Rail Improvement Program for Freight Capital Improvements in the amount of \$102,179 matched with internal funding from the Freight Movement Fees. Utilizing these Freight Movement funds as match leaves a hole in the funding for services and supplies, requiring an additional \$102,179 from the California Priority Legislative Budget Projects 2024 Grant to balance the budget.

FISCAL IMPACT:

On the passenger and pathway side, the resulting impact is an addition of \$157,183 for an overall fund balance amount of \$54,557,229.

On the freight side, there is net zero impact on the budget and the fund balance remains at \$0.

Sincerely,

/s/

Heather McKillop
Chief Financial Officer

Attachment(s):

- 1) Resolution No. 2025-24 – FY 2025/2026 Budget Amendment #2
- 2) Revised Appendix A
- 3) Revised Appendix B

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SONOMA-MARIN AREA RAIL TRANSIT DISTRICT, STATE OF CALIFORNIA, AMENDING RESOLUTION NO. 2025-19, THE ANNUAL BUDGET FOR FISCAL YEAR 2025-2026 TO PROVIDE FOR AN INCREASE IN SPENDING AUTHORITY

WHEREAS, as part of its approval of the Annual Budget for Fiscal Year 2025-2026, the Board of Directors considered the annual expenditures necessary for the Sonoma-Marín Area Rail Transit District; and

WHEREAS, the Board approved Budget Amendment #1 which modified expenditure authority and revised position authority; and

WHEREAS, the Board desires to Amend the Annual Budget Resolution No. 2025-19, Fiscal Year 2025-2026 Adopted Budget to modify expenditure authority for the rollforward of funds and acceptance of additional funding.

NOW, THEREFORE, BE IT RESOLVED that expenditure authority in Resolution No. 2025-19, Fiscal Year 2025-2026 Adopted Budget, Appendix A and B is hereby amended.

BE IT FURTHER RESOLVED except as specifically amended or supplemented by this Resolution, Resolution No. 2025-19, together with all supplements, amendments, and exhibits thereto is, and shall continue to be, in full force and effect as originally adopted, and otherwise constrained herein shall, or shall be construed to, modify, invalidate, or otherwise affect and provision of Resolution No. 2025-19.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Sonoma-Marín Area Rail Transit District held on the 20th day of August 2025, by the following vote:

DIRECTORS:

AYES:

NOES:

ABSENT:

ABSTAIN:

Chris Coursey, Chair, Board of Directors
Sonoma-Marín Area Rail Transit District

ATTEST:

Samantha Frias, Interim Clerk of the Board of Directors
Sonoma-Marín Area Rail Transit District

Appendix A - Passenger Rail/Pathway Sources & Uses					
FISCAL YEAR 2025-2026 DRAFT BUDGET - SOURCES					
		FY 26 Budget	Amendment #1	Amendment #2	Total
	Beginning Fund Balance *	\$ 61,508,650			\$ 61,508,650
	Revenues				
	SMART S&U Tax				
	Measure Q	\$ 48,300,300			\$ 48,300,300
	Measure Q Cost of Collection	\$ (683,796)	\$ (156,074)		\$ (839,870)
	Net Sales & Use Tax	\$ 47,616,504	\$ (156,074)		\$ 47,460,430
	Measure Q Roll Forward	\$ 3,975,611		\$ 425,957	\$ 4,401,568
	Transfer from Capital Fund	\$ -			\$ -
	Transfer from Corridor Reserve	\$ 1,500,000			\$ 1,500,000
	Subtotal	\$ 53,092,115	\$ (156,074)	\$ 425,957	\$ 53,361,998
	Federal Funds				
	5307 - Urbanized Area Formula Funds (Preventative Maintenance)	\$ 4,246,710			\$ 4,246,710
	5337 - Federal State of Good Repair Funds	\$ 4,937,716			\$ 4,937,716
	Discretionary Earmark	\$ 1,520,000		\$ 97,144	\$ 1,617,144
	FTA / OBAG 2 - Hanna Ranch to Vintage Way	\$ 91,600			\$ 91,600
	FTA/ OBAG 3 - Hanna Ranch to Vintage Way	\$ 171,750			\$ 171,750
	Subtotal	\$ 10,967,776	\$ -	\$ 97,144	\$ 11,064,920
	State Funds				
	AHSC - Affordable Housing and Sustainable Communitieis	\$ 1,610,000			\$ 1,610,000
	ATP - Active Transportation Program	\$ -		\$ 99,429	\$ 99,429
	Caltrans Sustainability Communities Competative Planning Grant	\$ 159,354			\$ 159,354
	ITIP - Complete Streets	\$ 896,000			\$ 896,000
	LCTOP - Low Carbon Transit Operating	\$ 760,918			\$ 760,918
	LPP - Local Partnership Program	\$ 727,443	\$ 200,000		\$ 927,443
	SRA - State Rail Assistance	\$ 3,700,000			\$ 3,700,000
	STA - State Transit Assistance (Population)	\$ 1,309,770		\$ (42,817)	\$ 1,266,953
	STA - State Transit Assistance (Revenue)	\$ 2,094,129			\$ 2,094,129
	STA - MASCOTS	\$ -		\$ 800,000	\$ 800,000
	STA - SGR (State of Good Repair)	\$ 363,183			\$ 363,183
	State Funds - Shuttle Service	\$ 250,000			\$ 250,000
	TIRCP - Petaluma Station	\$ -		\$ 150,000	\$ 150,000
	TIRCP - Windsor to Healdsburg	\$ 1,380,000		\$ (113,680)	\$ 1,266,320
	Subtotal	\$ 13,250,797	\$ 200,000	\$ 892,932	\$ 14,343,729
	Regional Funds				
	Regional Measure 3 (RM3)	\$ 1,048,400			\$ 1,048,400
	MTC - MASCOTS	\$ -	\$ 600,000	\$ (600,000)	\$ -
	Subtotal	\$ 1,048,400	\$ 600,000	\$ (600,000)	\$ 1,048,400
	Other Sources				
	Advertising	\$ 175,000			\$ 175,000
	Charges for Services	\$ 112,851			\$ 112,851
	Fare Revenues - Passenger Rail	\$ 2,541,000			\$ 2,541,000
	Fare Revenues - Shuttle	\$ 8,000			\$ 8,000
	Interest Earning	\$ 800,000			\$ 800,000
	Misc.	\$ 55,885			\$ 55,885
	Parking	\$ 17,580			\$ 17,580
	Rent - Real Estate	\$ 494,025			\$ 494,025
	Other Governments/Private Sector	\$ 1,534,821		\$ 31,136	\$ 1,565,956
	Subtotal	\$ 5,739,161	\$ -	\$ 31,136	\$ 5,770,297
	Total Revenues	\$ 84,098,249	\$ 643,926	\$ 847,169	\$ 85,589,344
	Total Revenues + Fund Balance	\$ 145,606,899	\$ 643,926	\$ 847,169	\$ 147,097,994
FISCAL YEAR 2025-2026 DRAFT BUDGET - USES					
		FY 26 Budget	Amendment #1	Amendment #2	Total
	Debt Service	\$ 16,996,844			\$ 16,996,844
	Salaries & Benefits	\$ 30,549,100	\$ 1,046,346		\$ 31,595,446
	Reduction for Salaries Charged to Projects	\$ (1,663,687)			\$ (1,663,687)
	Reduction for Allocation of Salaries/ Services/ Supplies to Freight	\$ (34,944)			\$ (34,944)
	Service & Supplies	\$ 18,382,301	\$ 221,819		\$ 18,604,120
	Total Salaries, Benefits, Service, & Supplies	\$ 47,232,770	\$ 1,268,165	\$ -	\$ 48,500,935
	Contribution to OPEB/ CalPERS Liability Fund	\$ 750,000			\$ 750,000
	Contribution to Capital Sinking Fund	\$ 1,000,000			\$ 1,000,000
	Operating Reserve	\$ 1,231,027			\$ 1,231,027
	Total Reserve Contributions	\$ 2,981,027	\$ -		\$ 2,981,027
	Total Debt Service, Operating, Reserves	\$ 67,210,640	\$ 1,268,165	\$ -	\$ 68,478,806
	Balance	\$ 78,396,259	\$ (624,239)		\$ 78,619,188
	Non-Capital Projects	\$ 4,658,214		\$ 2,763,789	\$ 7,422,003
	Total Non-Capital Projects	\$ 4,658,214	\$ -	\$ 2,763,789	\$ 7,422,003
	State of Good Repair and Projects	\$ 8,831,723			\$ 8,831,723
	Total State of Good Repair	\$ 8,831,723	\$ -	\$ -	\$ 8,831,723
	Capital Projects				
	Equipment	\$ 2,576,151			\$ 2,576,151
	Facilities	\$ 6,683,886		\$ (2,123,803)	\$ 4,560,083
	Infrastructure	\$ -		\$ 50,000	\$ 50,000
	Non-Revenue Vehicles	\$ 346,000	\$ 276,000		\$ 622,000
	Land Acquisition	\$ -			\$ -
	Total Capital Expenditures	\$ 9,606,037	\$ 276,000	\$ (2,073,803)	\$ 7,808,234
	Ending Fund Balance	\$ 55,300,285	\$ (900,239)	\$ 157,183	\$ 54,557,229

Appendix B - Freight Sources and Uses					
Fiscal Year 2025-2026 Budget (Estimated)					
		FY 26 Budget	Amendment #1	Amendment #2	Total
	Beginning Fund Balance	\$ -			\$ -
	Revenues				
	California State Transportation Agency (Cal STA)	\$ -			\$ -
	CA Priority Legislative Budget Projects 2023	\$ 750,000			\$ 750,000
	CA Priority Legislative Budget Projects 2024	\$ 237,648	\$ 24,500	\$ 102,179	\$ 364,327
	Caltrans SR 37 Construction Support	\$ 7,000			\$ 7,000
	State Shortline Grant	\$ 339,771		\$ 102,179	\$ 441,950
	Freight Movement Fees	\$ 800,000			\$ 800,000
	Leases	\$ 270,000			\$ 270,000
	Storage	\$ 40,000			\$ 40,000
	45(g) Tax Credit	\$ 251,000			\$ 251,000
	Misc.	\$ 10,000			\$ 10,000
	Total Revenues	\$ 2,705,419	\$ 24,500	\$ 204,357	\$ 2,729,919
	Total Revenues + Fund Balance	\$ 2,705,419	\$ 24,500	\$ 204,357	\$ 2,729,919
	Expenditures				
	Salaries & Benefits	\$ 1,075,089			\$ 1,075,089
	Services & Supplies	\$ 943,789			\$ 943,789
	Blackpoint Bridge Emergency Repair	\$ -	\$ 24,500		\$ 24,500
	SR 37 Grade Crossing PE Review	\$ 7,000			\$ 7,000
	Tie Replacement	\$ 50,000			\$ 50,000
	Brazos Branch Bridge Repairs (3 Bridges)	\$ 475,301		\$ 204,357	\$ 475,301
	Grade Crossing Repair	\$ 154,240			\$ 154,240
	Total	\$ 2,705,419	\$ 24,500	\$ 204,357	\$ 2,729,919
	Ending Fund Balance	\$ -	\$ -	\$ -	\$ -